



**U.S. Department of Justice**

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**NEWS RELEASE**

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Gregory S. Horton, age 38 of Weston, Florida, pleaded guilty today before the Honorable James C. Cacheris, United States District Court Judge, to one count of wire fraud in connection with his employment with America Online, Inc. (AOL) in 2003. From November 2002 until August 2003, Horton served as AOL's Executive Vice President of Human Resources at AOL in Dulles, Virginia, reporting directly to AOL's Chief Operating Officer. Horton faces a maximum penalty of 20 years imprisonment, a \$250,000 fine, and full restitution. Sentencing is set for April 22, 2005.

Horton engaged in a scheme to defraud not only AOL but also his prior employers, Quest Communications, Inc. (Quest) in Denver, Colorado, and AutoNation, Inc. (AutoNation) in Fort Lauderdale, Florida. Horton worked at AutoNation from May 1999 until October 2001 at which time he moved to Quest and remained there until he was hired by AOL. At all three companies Horton either had the authority to approve or the ability to influence the hiring of outside consultants to perform services in the area of human resources. Horton enriched himself at all three companies with funds paid to outside consultants who were ostensibly hired to perform services for the companies. As part of the scheme, Horton directed the consultants to pay third party companies that Horton either directly or indirectly controlled.

Horton defrauded AutoNation of \$1.8 million, Quest of \$333,000, and AOL of \$100,000.

The investigation was conducted by Special Agents of the FBI. The prosecution of the case is being handled by Assistant United States Attorney Stephen Learned.

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